

## Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 EB-08 AID-05 OC-06 CCO-00 NTIE-00  
/030 W

-----067561 220344Z /14

R 211759Z AUG 78  
FM AMEMBASSY CAIRO  
TO SECSTATE WASHDC 2891  
INFO AMEMBASSY JIDDA  
AMCONSUL DHAHRAN  
USLO RIYADH  
USDOC WASHDC

UNCLAS CAIRO 19443

E.O. 11652: N/A  
TAGS: BEXP, EG  
SUBJECT: APRIL 1979 COMMUNICATIONS EQUIPMENT TRADE MISSION

REF: (A) STATE 169959, (B) 77 CAIRO A-145, (C) CAIRO A-80

1. INFORMATION BELOW KEYED TO QUESTIONS POSED PARA. 1,  
REF A:

- A. CAIRO. THREE WORKING DAYS
- B. MID- TO LATE APRIL. PERIOD OF ACTIVE PREPARATION  
FOR TRADE MISSION SHOULD NOT COINCIDE WITH CAIRO  
FAIR WHICH IS NOW SCHEDULED LAST THROUGH END OF  
MARCH.
- C. THE IMPROVEMENT OF EGYPT'S TELECOMMUNICATION  
SYSTEM - WIDELY PERCEIVED AT PRESENT TO BE  
INADEQUATE AND UNSATISFACTORY - IS AN IMPORTANT  
PRIORITY OF THE EGYPTIAN GOVERNMENT. A RECENT  
SURVEY OF THE TELECOMMUNICATIONS SECTOR, FUNDED  
BY USAID, HIGHLIGHTED MOST OF THE EXISTING

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- PROBLEMS AND INDICATED THAT THE COST OF MAJOR  
IMPROVEMENTS COULD RUN INTO THE BILLIONS OF  
DOLLARS OVER THE NEXT SEVERAL YEARS. REPLACEMENT  
OF ANTIQUATED SWITCHING EQUIPMENT AND OF EXISTING  
CABLES, AND THE ADDITION OF SEVERAL HUNDRED  
THOUSAND NEW SERVICE LINES ARE AMONG THE IMPROVE-  
MENTS RECOMMENDED. GOE IS STILL IN PROCESS OF

- DECIDING HOW BEST TO UNDERTAKE AND FUND THIS
- EFFORT. UNDER THE CURRENT 5-YEAR PLAN, L.E.376
- MILLION HAS BEEN ALLOCATED THROUGH 1982 FOR THE
- COMMUNICATIONS SECTOR. USAID PLANS TO MAKE
- \$40 MILLION OF ITS FY 1978 APPROPRIATION
- AVAILABLE FOR A TELECOMMUNICATION IMPROVEMENT
- PROJECT, IN ADDITION TO PROVIDING FUNDING FOR
- EQUIPMENT PURCHASES (SUCH AS FOR THE GREATER
- CAIRO MICROWAVE SYSTEM) UNDER THE COMMODITY
- IMPORT PROGRAM. THE IBRD HAS LENT \$53 MILLION
- FOR ASSISTANCE TO EGYPT IN TELECOMMUNICATIONS
- FIELD. SUBSTANTIAL BILATERAL ASSISTANCE IS
- ALSO BEING OFFERED BY INDIVIDUAL DONOR STATES.
- ALTHOUGH PURCHASES IN SUCH CASES ARE NORMALY
- "TIED", THE PROJECTS INVOLVED MAY OFFER SOME
- ANCILLARY OPPORTUNITIES TO U.S. FIRMS.

- D. SIC CODE 3661: TELEPHONE SWITCHING EQUIPMENT,
- PABX SYSTEMS, CABLE AND CABLE CONNECTIONS,
- TELEPHONE SETS.

- E. SEE REF. B.

- F. CUSTOMS DUTIES ARE IN RANGE OF 15 PERCENT. PRICING
  - IS A KEY FACTOR. COMPETITION FOR TELEPHONE EQUIP-
  - MENT SALES IS KEEN AND MAJOR NON-AMERICAN SUP-
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- PLIERS ARE ACTIVE AND WELL KNOWN IN MARKET.
- FACT THAT MUCH PROCUREMENT IS DONE THROUGH
- GOVERNMENT TENDERS INCREASES IMPORTANCE OF
- PRICE FACTOR.

- G. SEE REF. B AND REF. C.

- H. NONE KNOWN AT THIS TIME, I AND J. SEE SUB-
- PARAGRAPH ABOVE AND REFS. B AND C.

- K. CONTINENTAL TELEPHONE AND INTERNATIONAL TELEPHONE
- AND TELEGRAPH CURRENTLY HAVE OFFICES. GENERAL
- TELEPHONE AND ELECTRONICS AND AMERICAN TELEPHONE
- AND TELEGRAPH (OR ITS WESTERN ELECTRIC SUBSIDIARY)
- HAVE INDICATED THEY MAY OPEN OFFICES HERE IN NEAR
- FUTURE.

2. RESPONSES BELOW ARE KEYED TO QUESTIONS POSED PARA. 3  
REF. A.

- A. COST OF HOTEL ROOM IS APPROXIMATELY U.S. \$45 PER
- NIGHT WHETHER SINGLE OR DOUBLE OCCUPANCY. SMALL

- SUITE APPROXIMATELY \$165; LARGE SUITE APPROXIMATELY \$200 PER NIGHT.
- B. PHOTOGRAPHER, APPROXIMATELY \$40 PER DAY PLUS \$1.45 PER PHOTO ORDERED.
- C. MISSION RECEPTION NORMALLY HELD AT HOTEL. COST IS APPROXIMATELY \$10 PER PERSON.
- D. RECEPTIONIST: APPROXIMATELY \$15 PER DAY.

3. NOTE THAT IF MISSION DESIRES ADDITIONAL ROOM TO SERVE AS BIC, THIS MUST BE BUDGETED FOR IN ADVANCE.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Copy:** SINGLE  
**Draft Date:** 21 aug 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Page Count:** 3  
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**Reference:** 78 STATE 169959, 77 CAIRO A-145, 78 CAIRO A-80  
**Retention:** 0  
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**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014